

1 Michael A. Sweet (Bar No. 184345)  
msweet@foxrothschild.com

2 Dale L. Bratton (Bar No. 124328)  
dbratton@foxrothschild.com

3 **FOX ROTHSCILD LLP**

4 345 California Street, Suite 2200  
San Francisco, CA 94104

5 Telephone: (415) 364-5540

6 Facsimile: (415) 391-4436

7 Counsel to the Official Committee  
of Unsecured Creditors

9 UNITED STATES BANKRUPTCY COURT

10 NORTHERN DISTRICT OF CALIFORNIA

11 SAN JOSE DIVISION

12 In re:

13 SANTA CRUZ BERRY FARMING  
COMPANY, LLC,

14 Debtor-in-Possession.

Case No. 15-51771-MEH  
Chapter 11

Jointly Administered with  
No. 15-51772

16  
17      Also affects:  
     Only Affects:

18 CORRALITOS FARMS, LLC,

19 Debtor-in-Possession.

**DECLARATION OF RICHARD J.  
FEFERMAN IN SUPPORT OF  
APPLICATION FOR AUTHORIZATION  
FOR EMPLOYMENT OF CORPORATE  
RECOVERY ASSOCIATES, LLC, AS  
FINANCIAL ADVISOR TO THE OFFICIAL  
COMMITTEE OF UNSECURED  
CREDITORS**

22 Judge: Hon. M. Elaine Hammond

23 [No Hearing Required]

25 I, Richard J. Feferman, declare:

26 1. I am a Senior Managing Director with Corporate Recovery Associates, LLC  
27 (“CRA”), and am authorized to make this declaration on behalf of CRA. CRA is the proposed  
28 financial advisor for the Official Committee of Unsecured Creditors of Santa Cruz Berry Farming

1 Company, LLC ("Committee"). I submit this declaration in support of the Application For Order  
2 Authorizing Employment Of Corporate Recovery Associates, LLC, As Financial Advisor To  
3 Official Committee Of Unsecured Creditors ("Application") submitted by the Committee, for entry  
4 of an order authorizing the retention and employment of CRA as the Committee's financial advisor  
5 pursuant to Sections 327(a) and 1103(a) of Title 11 of the United States Code ("Bankruptcy Code")  
6 and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"). In my  
7 capacity as Senior Managing Director of CRA, and except as otherwise indicated, I have personal  
8 knowledge of the facts set forth below, and if called as a witness I could and would competently  
9 testify to the matters set forth in this declaration.

10 2. On May 25, 2015, Santa Cruz Berry Farming Company, LLC ("Santa Cruz Berry"),  
11 filed a voluntary petition under Chapter 11 of the Bankruptcy Code. The case is currently pending  
12 as Case No. 15-51771 and Santa Cruz Berry continues to operate its business as debtor in  
13 possession. Also pending is the companion case, jointly administered, of Corralitos Farms, LLC  
14 ("Corralitos"), Case No. 15-51772.

15 3. On June 9, 2015, the United States Trustee appointed the Committee to serve in the  
16 Santa Cruz Berry case. The Notice of Appointment of Official Committee of Unsecured Creditors  
17 was filed on that date. The U.S. Trustee amended the appointment on June 19, 2015, to add a  
18 member. The Amended Notice of Appointment of Official Committee of Unsecured Creditors was  
19 filed on that date.

20 4. I am informed and believe that the Committee held a telephonic meeting on July 28,  
21 2015, at which all of the members of the Committee were present. The Committee voted to retain  
22 CRA to serve as its financial advisor, and because there were important pending motions, requested  
23 that CRA commence work immediately.

24 5. It is my understanding that the Committee selected CRA as its advisor because of the  
25 firm's expertise in the areas of insolvency, business reorganization, business liquidation, assessing  
26 the viability of distressed businesses, and debtor/creditor matters.<sup>1</sup> I and other employees of CRA

---

27 <sup>1</sup> The terms in this Application represent the terms of engagement agreed upon between CRA and  
28 the Committee.

1 possess substantial experience in matters of this nature and are well qualified to represent the  
2 Committee in this case. I have over 34 years' experience as a financial analyst and advisor, with an  
3 emphasis on debtors in bankruptcy since the mid-1990's (approximately 20 years). Moreover, I and  
4 other CRA employees have extensive experience in the representation of creditors' committees in  
5 bankruptcy cases. During the past five years I have served in various capacities, including financial  
6 advisor to the Chapter 7 trustee in one case and business and financial advisor in numerous business  
7 Chapter 11 cases. My experience, and that of my senior staff associates at CRA, is further described  
8 on the short resume attached as Exhibit A.

9         6. I am in good standing as a current member of the Association of Insolvency and  
10 Restructuring Advisors. I am also a Certified Insolvency and Restructuring Advisor.

11         7. The professional services CRA will render for the Committee include, but are not  
12 limited to, investigation of the Debtor's assets, finances, liabilities, sources of recovery (including  
13 but not limited to prospective avoidance actions) and cash position, assistance with the wind down of  
14 the Debtor and the potential liquidation of its assets, and additional financial analysis to be provided  
15 at the Committee's specific request including, without limitation, analysis at the plan confirmation  
16 stage of the case.

17         8. CRA proposes to bill at normal hourly rates for its professional staff involved in  
18 representing the Committee on its final application for payment of fees and costs, subject to a cap on  
19 its final application for fees of a blended rate of \$275.00 per hour. Additionally it is CRA's policy  
20 that travel time while onboard airliners is not billed. Below are the usual and customary rates of the  
21 individuals CRA expects to be involved in this matter:

Professional	Standard Hourly Rate
Richard J. Feferman	\$650.00
Directors	\$425.00 – \$800.00
Associates	\$175.00 - \$500.00

22  
23  
24  
25  
26 CRA will request reimbursement for actual, necessary expenses incurred in representing the  
27 Committee. Expense reimbursements requested will be consistent with this Court's Guidelines For  
28

1 Compensation And Expense Reimbursement Of Professionals And Trustees (“Compensation  
2 Guidelines”).

3 9. The hourly rates set forth above are CRA’s normal hourly rates for work of this type  
4 These rates are set at a level designed to fairly compensate CRA for the work of its professionals and  
5 paraprofessionals and to cover fixed and routine overhead expenses. In addition, it is CRA’s policy  
6 to charge its clients in all areas of practice for certain other expenses incurred in connection with the  
7 client’s case. The expenses charged to clients include, among other things, charges for messenger  
8 services, overnight delivery services, photocopying, court fees, travel expenses, postage, materials  
9 for large mailings, investigative searches, and other charges customarily invoiced by financial  
10 advisory firms in addition to fees for professional services. CRA will charge the Committee for  
11 these expenses in a manner and at rates consistent with charges made generally to CRA’s other  
12 clients and in accordance with the Compensation Guidelines.

13 10. Subject to this Court’s approval of the Application, the Committee has agreed to the  
14 employment of CRA as business and financial advisor at the hourly rates set forth above with such  
15 compensation to be paid in accordance with 11 U.S.C. §§ 328, 330, and 331 and Bankruptcy Rule  
16 2016 and orders of this Court.

17 11. There is no agreement of any nature, other than with respect to the employees and  
18 principals at CRA, as to the sharing of compensation to be paid to CRA.

19 12. CRA did not receive a retainer with respect to its representation of the Committee,  
20 and there is no retainer agreement between the Committee and CRA. It is intended that this  
21 Application and the Court’s order approving CRA’s retention will govern CRA’s employment in this  
22 case, with the Court retaining jurisdiction to resolve any issue that might arise.

23 13. In conformity with Bankruptcy Code Sections 330 and 331, CRA intends to file  
24 interim applications for allowance of fees and reimbursement of costs advanced as and when  
25 appropriate under the Bankruptcy Rules, the Bankruptcy Local Rules, and this Court’s orders.

26 14. At the conclusion of this case, CRA will file an appropriate application seeking final  
27 allowance of all fees and costs, regardless of whether interim compensation has been paid. Upon  
28

1 allowance of such fees and costs, the Debtor will cause to be paid to CRA the difference between the  
2 amounts allowed and any interim compensation paid.

3 15. CRA has not shared or agreed to share any compensation related to the services to be  
4 rendered as financial advisor to the Committee with any other person, except as among CRA firm  
5 members and/or employees.

6 16. In connection with the proposed retention of CRA by the Committee, CRA performed  
7 an internal conflicts search to ensure that CRA does not have a conflict of interest that would  
8 prohibit it from representing the Committee in this matter. Specifically, CRA has researched its  
9 records to determine whether it has any relationships with the Debtors, and the creditors on the  
10 schedules of liabilities in this case and the Corralitos case.

11 17. To the best of my knowledge, information and belief, and other than the connections  
12 described in paragraph 20 below, CRA has no interest materially adverse to (a) the interest of the  
13 Debtor's estate or the Corralitos estate, (b) the Committee, or (c) of any class of the Debtor's or  
14 Corralitos's creditors, either by reason of any direct or indirect relationship to, or connection with,  
15 the Debtor or Corralitos or for any other reason.

16 18. To the best of my knowledge none of the professionals comprising or employed by  
17 CRA are related to any judge of the United States Bankruptcy Court for the Northern District of  
18 California, the United States Trustee for the Northern District of California, or any person employed  
19 in the Office of the United States Trustee for the Northern District of California. To the best of my  
20 knowledge, no grounds exist that would make employment of CRA or any of its professionals  
21 improper under Rule 5002(a) of the Bankruptcy Rules.

22 19. I believe that CRA is a disinterested person within the meaning of Bankruptcy Code  
23 Section 101(14).

24 20. To the best of my knowledge, the following may be deemed "connections" that are  
25 appropriate to be disclosed under Rule 2014(a):

26 (a) Verizon and AT&T are creditors in other bankruptcy cases in which my firm  
27 is engaged by the creditors' committee.  
28

1 (b) Federal and state taxing authorities are creditors in other bankruptcy cases in  
2 which my firm is engaged by the creditors' committee.

3 (c) Professionals of CRA have provided expert testimony in an unrelated  
4 bankruptcy case in an avoidance action against creditor Bank of America.

5 (d) Praxair Distribution, Inc., a creditor in this case, was a committee member in  
6 an unrelated case in which CRA was previously employed as financial advisor to that committee.

7 (e) My family and I have investments in shares of Berkshire Hathaway, parent  
8 company of Berkshire Hathaway Homestate Co., a creditor in this case.

9 23. As and if CRA comes aware of new parties-in-interest becoming involved in this  
10 case, CRA will file supplemental declarations as needed to update the disclosures made herein.

11 24. Except to the extent the Court allows payment of compensation to CRA out of the  
12 assets of the estate, CRA has no compensation arrangements with the Debtor or any entity related to  
13 the Debtor, the Committee, or any other individual or entity associated with this bankruptcy case.

14 25. The foregoing constitutes the statement of CRA pursuant to Sections 1103 and 504 of  
15 the Bankruptcy Code and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure.

16 I declare under penalty of perjury under the laws of the United States of America that the  
17 foregoing is true and correct. Executed this 21st day of August, 2015, in Midland, Texas.

18  
19 /s/ Richard J. Feferman

20 Richard J. Feferman  
21  
22  
23  
24  
25  
26  
27  
28